

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Digital India Programme - Establishment of Andhra Pradesh Fiber Corporation – Orders - Issued.

Information Technology, Electronics & Communications Department
(Communications wing)

G.O.MS.No. 5

Dated: 25.03.2015

Read

The new State of Andhra Pradesh has to be practically re-imagined and reconstructed in a planned manner, if the hopes and aspirations of its people have to be fulfilled. To fulfill the aspirations of the people, following Vision Statement has been drawn up from the perspective of e-Governance, Electronics and IT:

“To develop Andhra Pradesh as an Innovation Society of global repute, with a focus on enhancing the quality of life of its citizens, through high quality education and health care, increased productivity in agriculture and allied activities, creation of requisite employment potential by promoting electronics and IT industries, and above all, by providing good governance.”

2. The Andhra Pradesh Government is deeply aligned with the National vision of a Digital India and eager to make Andhra Pradesh one of the first states to embrace and deliver this vision to the people of Andhra Pradesh. State wide connectivity at affordable costs is one of the cornerstones of Digital Andhra Pradesh. Therefore Andhra Pradesh wants to establish Fiber Grid up to the village level so as to spur economic development and to provide Integrated Services to the Citizens. Every household should be lit up with access to video capable broadband at an affordable tariff.

3. The Government of Andhra Pradesh has declared an ambitious vision to make available at least a 10-15 Mbps broadband connection to 12 Million homes in Andhra Pradesh at an affordable price. This vision also includes an on demand availability of 100 Mbps to 1 Gbps connection to every business that wants to accelerate their business using the internet and e-Commerce.

4. Andhra Pradesh is committed to facilitate private enterprises both over cable networks and over mobile 4G and 3G to provide the envisioned services. However due to costs involved, none of the providers are able to either meet the needs of universal coverage and even in urban areas, the price points remain unviable for most. The state therefore has decided to facilitate building of a common government owned infrastructure that ensures these goals. The approach planned is to synergize with the effort of Government of India under the National Optical Fiber Network and Digital India initiatives, and make focus efforts to actualize a state-to-village fiber grid.

5. The proposed technical model is to design a modern, redundant, reliable, scalable, pure IP-ethernet network with end-to-end central management including Quality of Service (QoS), Service Level Agreements (SLAs) and Virtual Private Network (VPN) capabilities while leveraging existing networks or assets from both state and private providers.

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6. The Government will own the lit-up grid but make it open to private enterprises at low costs who would in turn be encouraged to provide high quality services in a non-loss making proposition. A state - owned, autonomous corporation will be created as a SPV, “Andhra Pradesh Fiber Corporation” (also known as “Fiber Corp”) to own the assets, drive the necessary procurement, contracts and make decisions about its requirements. The architecture, design, innovation, management, operational oversight and monetization of this network would be managed by the Fiber Corp while leveraging best of breed private expertise. Notwithstanding this structure purely for operational effectiveness, the Fiber Corp owns both the assets and strategic decision - making so that under all circumstances the asset and its controls are with the Fiber Corp. Further, the governing charter of the Fiber Corp shall embody the principles of openness, transparency and seamless connectivity of the Andhra Pradesh Grid with NOFN and the Digital India initiatives of Government of India.

7. The Fiber Corp is 100% Government owned, ensuring that the asset and its long term value resides fully with the people. The Fiber Corp would be structured as an autonomous corporation that is bound by a charter embodying relevant USO guidelines including openness, unbiased access to both private providers and Government. The Fiber Corp would be driven by a mandate and objectives including open transparent monitoring which shows universal service delivery in a public, measurable form. The Corporation will be governed by an eminent Board including a Nominee each from the DoT and DeitY, Government of India.

8. The initial share capital of the Fiber Corporation shall be Rs. 7 Crores to be contributed by Government of Andhra Pradesh. The corporation may restructure the structure of its share capital after preparation of a Detailed Project Report (DPR) and its appraisal and approval by the Competent Authorities. The Fiber Corporation may, if so required, offer equity share to Government of India, or a public entity nominated by it.

9. In this context, the Government, after careful and thorough consideration of all possible options, has decided to establish Fiber Grid up to the village level so as to spur economic development and to provide Integrated Services to the Citizens.

10. Accordingly, the Government hereby ordered for the registration of a corporate entity under the Companies Act 2013, with headquarters at Vijayawada. The Government orders that the Corporation shall be known by the name and style of “Andhra Pradesh Fiber Corporation” under the purview of the Department of Information Technology, Electronics & Communications.

11. Accordingly the following officers of Andhra Pradesh who are occupying these posts are nominated as initial Directors of the new company and on their transfer from these posts the new incumbents in those posts will join the Board as Directors.

- i. Principal Secretary / Secretary, ITE&C Department, GoAP.
- ii. Principal Secretary / Secretary, Infrastructure and Investment Department, GoAP.
- iii. Nominee of DoT, Government of India.
- iv. Nominee of DeitY, Government of India.
- v. Principal Secretary to Government, Finance Department, GoAP.

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12. The Government orders that the Andhra Pradesh Fiber Corporation should be an enterprise of the Government of Andhra Pradesh and be registered with an initial fund of Rs.10 Crores, for the said project towards initial expenses including registration of Andhra Pradesh Fiber Corporation, consultancy charges, contribution to share capital and other related activities.

13. The broad objectives of the Andhra Pradesh Fiber Corporation include the following:

- a) To enable the connectivity to every home and business in the State with a bandwidth of 10 Mbps and 100 Mbps respectively by providing OFC backbone from the District / Block nodes to villages.
- b) Every home and business can subscribe to the internet at affordable prices.
- c) To complete the fiber grid backbone within 2 years and to achieve 25% of the targeted user base within three years of completion of the grid and 50% user base within 5 years of completion of the grid.
- d) The Fiber Grid shall be one of the cornerstones of the AP State Enterprise Architecture, designed by the State to establish a connected Government.
- e) The Fiber Grid shall enable a leapfrog development of all the sectors of the economy, through a ubiquitous use of IT in increasing productivity, and thereby pave the way for “Sunrise AP”.
- f) The Fiber Grid shall also create a conducive infrastructure for the rapid development of IT & ITES industry in the State.
- g) Beyond the initial requested investment, the grid shall not depend on Government Grants for maintenance, network expansion and routine operation.
- h) The presence of a state-wide broadband backbone is likely to boost all types of economic activity, including manufacturing. Coupled with other initiatives, this can be an important contributor to the success of a Make in Andhra campaign.

14. These objectives would be further enlarged and detailed in the Memorandum of the Andhra Pradesh Fiber Corporation along with various ancillary and incidental objectives.

15. The Government would nominate national and international communication experts, official representatives, telecom industry representatives, and others it deems appropriate, for the effective governance of Andhra Pradesh Fiber Corporation.

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16. The Government hereby accords permission to the Andhra Pradesh Fiber Corporation to borrow and / or receive funds or any other financial instrument from Banks / financial institutions and the State and Central Governments.

17. The Secretary, ITE&C Department is hereby directed to initiate immediate measures for the registration, establishment and to ensure effective functioning of the Andhra Pradesh Fiber Corporation. The Managing Director, APTS is hereby designated as the Nodal officer to coordinate, facilitate and implement the orders issued herein to ensure the establishment of Andhra Pradesh Fiber Corporation.

18. This order issues with the concurrence of Finance (EBS-I-GAD-I-II) Department vide their U.O.No.1072/96/A2/EBS.I/2015, Finance (EBS.I) Department, dated: 19.03.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

I.Y.R.KRISHNA RAO
CHIEF SECRETARY TO GOVERNMENT

To
All Prl. Secretaries/Secretaries in AP Secretariat
All Heads of Departments

Copy to:

The Secretary to Govt. India, Department of Electronics & Information Technology (DeitY)
The Secretary to Govt. India, Department of Telecommunications (DoT)
PS to Principal Secretary to CM
The OSD to Minister, IT
The PS to Advisor IT
PS to Chief Secretary

//FORWARDED:: BY ORDER//

SECTION OFFICER